



SB584 – SUPPORT - Education – Student Horizon Database and Scorecard (Students Right to Know Act of 2021)

**Senate Education, Health, & Environmental Affairs Committee
February 25, 2021 – 11:00 am**

SB584 – SUPPORT – The Foundation for Government Accountability (FGA) in partnership with Opportunity Solutions Project (OSP) strongly supports the Students Right to Know Act of 2021.

This bill helps Maryland address a growing problem in the United States. As of September, student debt totaled more than \$1.7 trillion dollars, equivalent to roughly eight percent of the nation’s Gross Domestic Product (GDP).ⁱ⁻ⁱⁱ The average Marylander’s student debt, specifically, totals more than \$41,000, the highest in the nation.ⁱⁱⁱ Until presidential and congressional action that artificially reduced default rates on student debt, it was the defaulted on more commonly than any other kind of personal debt.^{iv} Accrual of student debt is, at times, an unavoidable cost of attaining a degree, but can also be the result of a simple lack of awareness of personal finances and economics, as well as a failure to plan ahead.

House Bill 46 would help young Maryland students by increasing access to important information on the cost of college, other training opportunities, and potential earnings data. This information will be delivered directly to its intended audience. It is smart, it is practical, and it is necessary. The end result is a connection: Students are connected with the kind of information they need to make informed decisions about school, work, and their futures.

Too many young people are forced to make one of the biggest decisions of their lives not only with an incomplete plan—but often with no semblance of one. “College is how you succeed in America now. Figure it out when you get there” is not good enough. Students can take out tens of thousands of dollars in loans with little more than a signature, without any real idea of how to pay off that loan. Many eventually struggle, particularly those who do not graduate in a timely manner, or those who do not graduate at all. Between 2014-2016, nearly four million undergraduates with student loan obligations dropped out, not realizing any income increase from college but suffering much of the debt.^v Unfortunately, those who do not graduate have a default rate three times higher than those who do.^{vi}

There are a multitude of opportunities available to young people, and there are ways to optimize the education experience and keep costs as low as possible. They just need to know about them. There are also opportunities outside the four-year, bachelor’s degree process. With the cost of college growing at a rate almost eight times faster than wages, now is as appropriate a time as any to explore those options.^{vii}



This bill is about raising up Maryland students, helping get the word out on our institutions of higher education, and partnering with employers in the state. It is a way to help connect students with the right school, graduates with the right job, and businesses with the right worker. This bill is pro-transparency, pro-growth, pro-education, and pro-student.

FGA applauds what this policy would do to make the cost of education more transparent and provide young Marylanders with much of the information they need to make a plan and decide their future. For these reasons, we strongly urge a favorable report for HB46.

ⁱ Federal Reserve, G.19 Report, Nov. 2020. <https://www.federalreserve.gov/releases/g19/current/default.htm>

ⁱⁱ Bureau of Economic Analysis, “Gross Domestic Product (Third Estimate), Corporate Profits (Revised), and GDP by Industry, Third Quarter 2020,” <https://www.bea.gov/news/2020/gross-domestic-product-third-estimate-corporate-profits-revised-and-gdp-industry-third>

ⁱⁱⁱ Vince Tabarracci, “States With the Most Student Loan Debt,” [smartestdollar.com](https://smartestdollar.com/research/states-with-most-student-loan-debt) (2021). <https://smartestdollar.com/research/states-with-most-student-loan-debt>

^{iv} Jeff Cox, “Student debt is over \$1.6 trillion and hardly anyone is paying down their loans,” [cnn.com](https://www.cnn.com/2020/01/16/student-loan-debt-is-over-1point6-trillion-and-balances-arent-going-down.html) (2020). <https://www.cnn.com/2020/01/16/student-loan-debt-is-over-1point6-trillion-and-balances-arent-going-down.html>

^v Elissa Nadworny and Clare Lombardo, 'I'm Drowning': Those Hit Hardest By Student Loan Debt Never Finished College,” [npr.org](https://www.npr.org/2019/07/18/739451168/i-m-drowning-those-hit-hardest-by-student-loan-debt-never-finished-college) (2019). <https://www.npr.org/2019/07/18/739451168/i-m-drowning-those-hit-hardest-by-student-loan-debt-never-finished-college>

^{vi} Ibid.

^{vii} Camilo Maldonado, “Price Of College Increasing Almost 8 Times Faster Than Wages,” [forbes.com](https://www.forbes.com/sites/camilomaldonado/2018/07/24/price-of-college-increasing-almost-8-times-faster-than-wages/?sh=475a6e4466c1) (2018). <https://www.forbes.com/sites/camilomaldonado/2018/07/24/price-of-college-increasing-almost-8-times-faster-than-wages/?sh=475a6e4466c1>



D I S C U S S I N G

Students' Right to Know



Millions of Americans are graduating from college each year with thousands of dollars of student debt. Millions more are struggling to build their futures while they pay off their student debt. But despite this crippling debt, the road to college is still sold as the only option to young adults. Students and their parents must be aware of all the options in front of them, from vocational tech and apprenticeships to other routes to a well-paying job. Students must also have the facts about what the real cost of a college degree will be, average graduation rates, and a list of the most in-demand jobs in their states. It's time to stop leaving students in the dark about their options for the future and start providing them with the facts they need to make a well-informed decision that's best for themselves.

Voters support providing students with the costs of college and vocational tech degrees as well as job information.

What messages really move them? These messages work best.

- ▶ Providing students with college cost and job option information could **help employers fill a record number of open jobs** across the country.
- ▶ **Vocational and technical jobs have competitive starting wages** that students should be informed of.
- ▶ **Many good-paying jobs do not require a four-year degree.**
- ▶ After six years, **nearly half of college students still have not graduated.**
- ▶ From 2014 to 2016, nearly four million **undergraduate students with college loan debt dropped out of college.**
- ▶ **The student loan default rate** among those who do not graduate is three times higher than among those that do graduate with a degree.

Visit thefga.org/studentsrighttoknow

Students' Right to Know

	ALL VOTERS	GOP	DEM	IND
Would you be more or less likely to support providing students with college costs and job options if you knew that it could help fill a near record number of open jobs?				
More Likely	67%	69%	66%	66%
Less Likely	15%	15%	14%	17%
Unsure	18%	16%	20%	17%
Would you be more or less likely to support providing students with college costs and job options if you knew that vocational and technical jobs have competitive starting wages?				
More Likely	64%	62%	66%	63%
Less Likely	18%	21%	15%	19%
Unsure	18%	16%	19%	18%
Would you be more or less likely to support providing students with college costs and job options if you knew that from 2014 to 2016, nearly 4 million undergraduate students with student loan debt dropped out of college?				
More Likely	63%	59%	65%	65%
Less Likely	18%	23%	14%	18%
Unsure	19%	18%	21%	17%
Would you be more or less likely to support providing students with college costs and job options if you knew that the student loan default rate among those who didn't graduate is three times higher?				
More Likely	63%	59%	63%	66%
Less Likely	18%	24%	11%	20%
Unsure	19%	17%	25%	14%
Would you be more or less likely to support providing students with college costs and job options if you knew that after 6 years, nearly half of college students still have not graduated?				
More Likely	63%	61%	63%	67%
Less Likely	19%	25%	14%	18%
Unsure	18%	15%	23%	15%
Would you be more or less likely to support providing students with college costs and job options if you knew that there are good-paying jobs that don't require a four-year college degree?				
More Likely	63%	60%	64%	64%
Less Likely	20%	24%	17%	20%
Unsure	17%	16%	19%	17%

DEMOGRAPHICS	Party Affiliation			Age			Gender	
		34% R	37% D	29% I	39% 18-44	40% 45-64	21% 65+	48% MALE

Results for this poll are based on automated telephone interviews conducted among a nationwide sample of 511 likely voters. Data for this survey research was collected by Cor Strategies Inc.

Interviews were conducted via a computer-assisted telephone interviewing system utilizing techniques designed to achieve the highest possible respondent cooperation. The surveys were conducted August 5-8, 2019. The margin of sampling error is plus or minus 4.34 percentage points. The margin of sampling error may be higher for certain subgroups. Results presented may not always appear to total 100 percent due to rounding.

Data was sampled using weighted demographic information from the U.S. Census Bureau's Current Population Survey Voting and Registration Supplement and the state election authorities. Demographic information for actual voters in past elections were used to construct sample target weights.

The Foundation for Government Accountability paid for all costs associated with this survey.



Students' Right to Know

THE PROBLEM: HIGH DEBT AND UNFILLED JOBS



Students are not fully informed about **alternative pathways to successful, good-paying jobs.**



Students are being pressured into four-year degrees that **may not reflect the needs of the modern economy.**



Total U.S. **student debt totals more than \$1.4 trillion**—the average debt per student is more than \$37,000.



Seven million jobs remain unfilled, many of which do not require four-year degrees.

THE SOLUTION: GIVE STUDENTS A CAREER ROADMAP

Provide students with important information about:



The cost of **four-year degrees versus the cost of technical schools**



The cost of **student loan repayment**



The **most in-demand jobs in the state**, including starting salary and educational requirements for those jobs



Students' Right to Know

IT WOULD HELP: STUDENTS AVOID DEBT

Ashlee had been balancing school and full-time work as she worked towards a four-year degree while helping to support her family financially. During her third year of college, she made the tough decision to stop attending classes—but she still had \$12,000 in loans to pay back.



Ashlee
in default on student loans

“I’m drowning in debt for a piece of paper I never received,” she says.

Now, Ashlee is in default, owes more than she initially took out, and her debt has ruined her credit.

Ashlee isn’t alone. More than half of college students enrolled in a four-year program have not graduated after six years. Dropouts face a student loan default rate that is three times higher than those who have graduated.

IT’S POPULAR

Voters Support Students’ Right to Know

